EXHIBIT 2

acuitas
value and decision consulting

September 3, 2009

Mr. Roy Dixon, Partner
Onyx Capital Advisors Fund I, LP
660 Woodward Avenue
Suite 2400
Detroit, Michigan 48226

Re: Valuation of 65% Interest in Second Chance Motors Credit, LLC

Dear Mr. Dixon:

Pursuant to your request we have conducted a valuation analysis of Second Chance Motors Credit, LLC ("SCMC" or the "Company") and prepared a summary report as of December 31, 2008 (the "Valuation Date") for financial reporting purposes.

We have performed a valuation engagement and present our summary report in conformity with the "Statement of Standards for Valuation Services No. 1" ("SSVS") of the American Institute of Certified Public Accountants. SSVS defines a valuation engagement as "an engagement to estimate value in which a valuation analyst determines an estimate of the value of a subject interest by performing appropriate procedures, as outlined in the AICPA Statement on Standards for Valuation Services, and is free to apply the valuation approaches and methods he or she deems appropriate in the circumstances. The valuation analyst expresses the results of the valuation engagement as a conclusion of value, which may be either a single amount or a range."

SSVS addresses a summary report as follows: "The *summary report* is structured to provide an abridged version of the information that would be provided in a detailed report, and therefore, need not contain the same level of detail as a detailed report."

Purpose and Objective of the Appraisal

The objective of the appraisal is to estimate the fair value of the equity of SCMC, as of December 31, 2008.

The purpose of our valuation analysis is to provide an independent opinion of the fair value of a 65% interest in the equity of SCMC on a non-marketable basis for financial reporting purposes. Our analysis was conducted for this purpose only. No other purpose is intended or should be inferred.

We have appraised the Company under the premise of value in continued use, as interests in a going concern business enterprise. In our opinion, this premise of value represents the highest and best use of the subject securities.

Definition of Value

The standard of value used in this appraisal is one of *fair value*. Per the Financial Accounting Standards Board, as defined in SFAS 157, fair value is "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

Sources of Information

In arriving at our opinion, we considered the nature and history of the subject business, the economic outlook in general, and the outlook for the Company's primary business segments and, in particular, Company financial information, the current financial condition of the Company, mergers and acquisitions of companies in similar industries, and common stock prices at which publicly traded companies in related lines of business are selling.

Valuation Procedures and Analysis

We reviewed and analyzed certain information and data provided by management and other advisors to the Company, including, but not limited to, financial statements and various internally prepared financial reports. We assumed the accuracy and completeness of the financial and operational information and of other internal data provided to us, as well as all other publicly available information and data upon which we relied.

In performing our work, we were provided with and/or relied upon various sources of information, including (but not limited to):

- Reviewed financial statements for SCMC for the fiscal year ended December 31, 2008 and trial balance as of December 31, 2007
- Information regarding the Company's history and current operations
- Management financial forecasts for the years 2009 to 2012
- Data from Ibbotson Associates, *Stocks, Bonds, Bills, and Inflation Yearbook 2008, Valuation Edition*
- Federal Reserve statistical releases
- Current and future economic conditions as forecast by various sources
- Empirical market evidence regarding historical long-term rates of return on investment measures as developed from nationally recognized investment information publications and studies
- Contemporaneous costs of debt capital in the public and private market as provided by nationally recognized investment information publications and Acuitas Inc.'s own analysis
- Discussions with management
- Miscellaneous other information

We reached an opinion after considering the historical and prospective operating characteristics of the Company, the current and expected capital structure as reflected in the latest financial statements, the risk/expected return investment relationships reflected for guideline companies having securities

traded in the public market, capital market and related industry macroeconomic evidence available on the Valuation Date and longer-term market pricing evidence, as well as other relevant factors.

DESCRIPTION OF COMPANY

SCMC is a Georgia limited liability company, formed on February 28, 2006. The Company was formed to purchase, at a discount, retail installment contracts from various Second Chance Motors automobile dealers (related parties through common ownership), and to service those contracts and engage in related collection activities. Purchased automobiles collateralize all contracts and the Company has the right to repossess those automobiles for nonpayment of amounts due from customers. Repossession is made easier with a global positioning system device, with a shut down mechanism, attached to each vehicle. SCMC began operations in February 2007. The Company earns interest and other fees on loans made to the consumer.

The Company is owned 65% by Onyx Capital Advisors Fund I, LP ("Onyx") and 35% by Second Chance Motors, Inc. ("SCM"). SCM is the Class A Member and Onyx is the Class B Member. The differing rights are described in SCMC's operating agreement, dated February 28, 2006. Here, we mention some of the more important provisions of the agreement. Michael Farr, the sole owner of SCM, is the Manager of SCMC. As such, he has control of the day-to-day operation of the Company. He may also purchase or liquidate all or part of the assets, obtain financing, make investments, and enter into any contracts, each in amounts limited to $200,000. Onyx may not remove him as manager because his removal requires unanimous consent. The Company can only be dissolved upon written agreement of the Members. No Member may voluntarily withdraw without consent of the Manager. Onyx controls Mr. Farr's compensation. Onyx has a long-term relationship with the SCM companies as an investor, and it is anticipated that this relationship will continue.

Onyx, as a Class B Member, receives preferential allocation of net profits. Onyx may transfer its membership interest without restriction.

The Company's revenue is made up of interest on the notes receivable, fee income, and loan recoveries. Loan recoveries revenue is recorded for interest received for loans previously written off. SCMC reported total revenue of $577,052 in 2008 and $397,486 for the partial year 2007. The Company had operating expenses of $442,740 in 2008, resulting in net income of $134,312. Net loss for the partial year 2007 was $57,141. (See Exhibit 3 for a summary of the income statements.)

Management projects revenue will grow to $1,896,894 in 2009, $2,845,341 in 2010, $4,268,012 in 2011 and $6,402,017 in 2012, which is an annual increase of 50%. In the past two years, SCMC's growth was limited by the amount of its capital. In 2008, Onyx, already a contributing member, infused the Company with an additional $3,959,977 contribution which will allow for growth. (Onyx plans to continue to contribute capital to allow SCMC to make loans as long as SCMC is profitable.) The high growth expectation is due to the down turn in the economy when buyers prefer used cars to new cars, and expected job growth requiring the purchase of more vehicles. The tight credit market also sends more customers to SCMC. SCM plan to open more dealerships, which will provide more credit opportunities for SCMC. The projections reveal that expectations include growing profit margins from 60% to 86% during the four-year period forecasted. Growth over the ten years following 2012 is projected at an annual growth rate of 10%.

SCMC had total assets of $7,946,094 as of December 31, 2008. (See Exhibit 2 for a summary of the balance sheets.) The majority were current assets. The largest asset was Loans Receivable in the amount of $4,940,058, which is made up of the total principal and interest payments expected. Also listed on the balance sheet is Due from Related Party in the amount of $1,218,067. This represents

the amount owed to SCMC from SCM. A long-term asset, Deferred Charges – Related Party, of $1,568,958 represents the amount paid to SCM in advance for various costs and is being amortized over a five-year period.

SCMC had current liabilities of $2,715,678, the largest being Unearned Revenue of $2,309,102. Unearned revenue offsets Loans Receivables for the interest yet unearned.

The members' equity amounted to $5,230,416 as of the Valuation Date.

General Economic Conditions

As of December 31, 2008, the economy was expected to post a second consecutive quarter of decline in the fourth quarter of 2008, putting the economy officially in recession. Real Gross Domestic Product ("GDP") was expected to decline by 3.2% in the fourth quarter of 2008, and going into 2009, the economy was forecasted to decline again by 2.6% in the first and 1.3% in the second quarters. Overall, this recession to date was characterized by a massive drop in consumer spending and a sharp deceleration in export growth.

Valuation Approaches

In general, valuation methods can be categorized into three general approaches for valuing the stock of a closely held company: the market approach, the asset approach, and the income approach. Professional appraisers use one or more of these three approaches to estimate value. The objective of using more than one approach is to develop mutually supporting evidence as to the conclusion of value.

The Market Approach

Value is often best determined and tested in the marketplace. One of the most fundamentally sound approaches for determining the value of closely held common shares is to look to the public market for evidence of prices investors are willing to pay for a company in similar lines of business.

There are two commonly used methods within the overall market approach: the guideline publicly traded company method and the transaction method. However, we were unable to find similar companies either publicly traded or recently transacted. Therefore, the market approach was not used to determine the value of SCMC.

On December 31, 2008, Onyx invested $3,959,977 to purchase an additional 30% interest in SCMC. Although not a methodology we relied upon due to the prior relationship between Onyx and SCMC, we calculated an implied value of $13,200,000 based on this investment.

The Asset Approach

The asset or cost approach establishes value by netting the market value of the assets by the liabilities to determine the net asset value or net worth of the business. This approach generally reflects the historical cost or depreciated value of the company's assets versus the current market values of the assets. Therefore, the independent valuation of fixed assets, or the use of other valuation approaches for intangible assets, may be necessary to estimate a current value of the company. This approach is usually a better indicator of value when valuing investment or holding types of businesses versus service companies. This approach is not well-suited for this interest since a holder of the 65% interest could not force the liquidation of the assets.

THE INCOME APPROACH

The income approach consists of a number of valuation methods, each generally based upon the fundamental premise that the value of an asset is a function of the income that will be generated by that asset over its expected life. There are a number of methods which can be used to estimate value under this premise, most of which are based on two very general steps: (1) the estimation of an asset's future economic earnings stream and (2) the application of an appropriate risk-adjusted present value discount rate. We utilized the discounted cash flow ("DCF") method in our analysis of SCMC, discussed below.

The DCF method estimates the value of an asset based on its ability to generate future cash flows. This method is particularly useful when future profit margins and growth are expected to vary significantly from historical operating results. The credibility of this method lies in the ability of management to project future earnings and cash flow.

We obtained and relied on management's projections for SCMC. While we have relied on these financial projections developed by management, we have not examined the projected or forecasted data or the underlying assumptions in accordance with the standards prescribed by the American Institute of Certified Public Accountants and do not express an opinion or any other form of assurance on the projected or forecasted data and related assumptions. The future may not occur as anticipated, and actual operating results may vary significantly from the estimates included in this summary report.

Using projections prepared by management, we calculated projected debt-free cash flows for the fiscal years 2009 through 2012. We also analyzed the projections based on a review of industry sources, historical financial performance, and discussions with management.

The following steps describe the specific procedures utilized in the application of the DCF method:

- We used management prepared and supplied projections to compute the discounted cash flows for fiscal years 2009 through 2012 for SCMC. We assumed that a market participant would convert SCMC to a C corporation; therefore, we estimated a tax rate at 38%.
- We calculated the debt-free net working capital requirements, as a percentage of incremental revenues, based on industry information and an analysis of the Company's historical working capital.
- We added the management-projected financial depreciation and amortization to adjusted debt-free net income and subtracted capital expenditures and working capital to arrive at debt-free cash flow ("DFCF"). We assumed the capital expenditures and depreciation expense to be equal and therefore to offset each other in all years.
- We computed the present value of the resulting debt-free cash flows for the projection years and the terminal year using a mid-year convention, which presumes that cash flows occur evenly throughout the year.
- We computed projected net income for the terminal year. Revenue from 2012 was increased by a growth rate of 10%, based on an analysis of the Company's historical performance, and expenses were kept proportionate to 2012, to derive the terminal year DFCF. We used the "H" Model growth assumption to determine the terminal value, which was discounted back by the weighted average cost of capital ("WACC") of 19.0 percent and added to the present value of the period cash flows to arrive at a present value of debt-free cash flows (See Exhibit 6). In support of the WACC, we considered venture capital rates of return that range from

25% to 75% based on the *QED Report on Venture Capital Financial Analysis*[1], published by QED Research, Inc., depending on the development stage of the company. SCMC may still need outside cash to sustain rapid growth, which puts it in the fourth stage according to the QED study. In that stage, the return on equity would range from 30% to 40%. The WACC developed in this analysis is calculated based on a return on equity of 30%.

- The indicated value is the market value of invested capital. Since SCMC has no interest-bearing debt outstanding, this indicated value of $12,583,000 also represents the value of equity. This value represents a non-controlling value since no adjustments have been made to the earnings stream for control prerogatives.

Reconciliation of Value

We took into consideration in our conclusion the historical rate of growth and operating margins as well as the growth margins indicated by the projections. We also considered other assumptions in each of the valuation methods. We relied on the income approach as it was best suited for this valuation.

Conclusion of Value

The 65% interest in SCMC is a non-marketable interest. Therefore, to determine fair value, it must be subject to a discount for lack of marketability. We have applied a discount for lack of marketability of 10% based on the studies and factors considered in Appendix B.

Based upon the procedures and analysis mentioned above, and in our independent professional opinion, the fair value of the 65% interest in SCMC on a non-marketable basis, as of December 31, 2008, is **$7,361,000.**

Fair Value of 65% Interest in Second Chance Motors Credit, LLC

Discounted Cash Flow Method		$ 12,583,000
Concluded Marketable Equity Value		$ 12,583,000
65% Interest	65.0%	**$ 8,178,950**
Less: Discount for Lack of Marketability	10.0%	(817,895)
Fair Value, Non-marketable basis		**$ 7,361,000**

Our individual valuation methods and procedures are summarized in the exhibits that are presented in Appendix A to this summary report. The accompanying appraisal certification, statement of assumptions and limiting conditions, and qualifications of the principal appraisers are integral parts of this opinion.

Distribution of this letter and report and associated results, which are to be distributed only in their entirety, is intended and restricted to you and your accountants and attorneys, solely to assist you in your determination of the fair value of the subject interests for financial reporting purposes and is valid

[1] *QED Report on Venture Capital Financial Analysis*, QED Research, Inc. 1987

only as of December 31, 2008. This letter and accompanying report are not to be used with, circulated, quoted or otherwise referred to in whole or in part for any other purpose, or to any other party for any purpose, without our express written consent.

If you have any questions concerning this valuation, please contact Mr. Mark L. Zyla at (404) 898-1137 or Ms. Gina Miller at (404) 898-2783.

Very truly yours,

ACUITAS INC.

Acuitas, Inc.

Mark L. Zyla, CPA/ABV, CFA, ASA
Managing Director

APPENDIX A – VALUATION EXHIBITS

EXHIBIT 1
SECOND CHANCE MOTORS CREDIT, LLC
VALUATION SUMMARY AS OF
DECEMBER 31, 2008

FMV of Equity				
Discounted Cash Flow Method		(1)	$	12,583,000
Concluded Marketable Equity Value			$	12,583,000
65% Interest	**65.0%**		**$**	**8,178,950**
Less: Discount for Lack of Marketability (2)	10.0%			(817,895)
Fair Value, Non-marketable basis		Rounded	**$**	**7,361,000**

Notes:
(1) See Exhibit 6.
(2) See Appendix B.

EXHIBIT 2
SECOND CHANCE MOTORS CREDIT, LLC
HISTORICAL BALANCE SHEETS

	As of December 31,			
	2008	**%**	**2007**	**%**
ASSETS				
Current Assets				
Cash	$ -	0.0%	$ 1,553	0.2%
Loans Receivable	4,940,058	62.2%	451,682	57.6%
Due from Related Party	1,218,067	15.3%	266,814	34.0%
Interest Receivable	99,148	1.2%	-	0.0%
Other Assets	65,513	0.8%	-	0.0%
Total Current Assets	6,322,786	79.6%	720,049	91.9%
Property and Equipment, net	54,350	0.7%	63,722	8.1%
Deferred Charges - Related Party	1,568,958	19.7%	-	0.0%
TOTAL ASSETS	$ 7,946,094	100.0%	$ 783,771	100.0%
LIABILITIES				
Bank Overdraft	$ 216,421	2.7%	$ -	0.0%
Distribution Payable	190,155	2.4%	-	0.0%
Unearned Revenue	2,309,102	29.1%	707,490	90.3%
Total Current Liabilities	2,715,678	34.2%	707,490	90.3%
TOTAL LIABILITIES	2,715,678	34.2%	707,490	90.3%
MEMBERS' EQUITY				
Members' Equity	5,230,416	65.8%	76,281	9.7%
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 7,946,094	100.0%	$ 783,771	100.0%

Source: Reviewed financial statements and trial balance.

EXHIBIT 3
SECOND CHANCE MOTORS CREDIT, LLC
HISTORICAL INCOME STATEMENTS

	For the year ended December 31			
	2008	%	2007 (1)	%
Revenue:				
Interest Income	$ 460,910	79.9%	$ 242,471	61.0%
Fee Income	17,833	3.1%	59,217	14.9%
Loan Recoveries	98,309	17.0%	92,920	23.4%
Other Income	-	0.0%	2,879	0.7%
Total Revenue	577,052	100.0%	397,486	100.0%
Operating Expenses	442,740	76.7%	454,627	114.4%
Net Income	$ 134,312	23.3%	$ (57,141)	-14.4%
Earnings Metrics:				
EBIT	134,312	23.3%	(57,141)	-14.4%
EBITDA	143,684	24.9%	(53,832)	-13.5%
Depreciation and Amortization Expense	9,372	1.6%	3,309	0.8%

Source: Reviewed financial statements and trial balance.

(1) 2007 was a partial year (beginning February 2007).

EXHIBIT 4
SECOND CHANCE MOTORS CREDIT, LLC
HISTORICAL RATIO ANALYSIS

	Fiscal Years Ended December 31,		
	2008	2007 (1)	Industry (2)
LIQUIDITY RATIOS			
Current Ratio	2.3	1.0	1.8
Quick Ratio	2.3	1.0	1.7
Net Working Capital	3,607,108	12,558	
Operating Working Capital	3,607,108	11,005	
ACTIVITY RATIOS			
NWC Less Cash Turnover	0.2	NA	
OWC Turnover	0.2	NA	1.6
Receivables Turnover	0.1	NA	6.8
Total Assets Turnover	0.1	NA	0.2
Fixed Assets Turnover	10.6	NA	471.5
Average Collection Period	1,681.8	NA	53.0
PERFORMANCE			
Sales / Net PP&E	10.6	NA	471.5
Sales / Equity	0.1	NA	
PROFITABILITY			
Operating Margin Before Depreciation	24.9%	-13.5%	
Operating Margin After Depreciation	23.3%	-14.4%	
Pretax Profit Margin	23.3%	-14.4%	18.3%

Source: Reviewed financial statements and trial balance.
(1) 2007 was a partial year (beginning February 2007).
(2) Industry ratios taken from Risk Management Association's 2008 - 2009 Annual Statement Studies for NAICS 522220 - Sales Financing.

EXHIBIT 5
SECOND CHANCE MOTORS CREDIT, LLC
DECEMBER 31, 2008

Build-Up Method, Cost of Equity: Ke = Rf + RPm + RPi + RPs + RPu

		Ibbotson	Duff & Phelps
Risk-Free Rate (Rf)		3.05% (1)	3.05% (1)
Market Premium (RPm)		7.10% (2)	4.85% (9)
Industry Risk Premium (RPi)		3.88% (2)	2.65% (11)
Size Premium (RPs)		5.82% (3)	6.91% (10)
Company Specific Risk Premium (RPu)		12.00% (4)	12.00% (4)
	ke =	**31.85%**	**29.46%**

Modified CAPM Method, Cost of Equity: Ke = Rf + (β x RPm) + RPs + RPu

		Ibbotson	Duff & Phelps
Risk-Free Rate (Rf)		3.05% (1)	3.05% (1)
Beta (β)		1.42 (8)	1.42 (8)
Market Premium (RPm)		7.10% (2)	4.85% (9)
Size Premium (RPs)		5.82% (3)	6.91% (10)
Company Specific Risk Premium (RPu)		12.00% (4)	12.00% (4)
	ke =	**30.95%**	**28.85%**
	Concluded ke =	**30.00%**	

After Tax Cost of Debt: kd = Kb(1-t)

Borrowing Rate (Kb)		7.97% (5)
Tax Rate (t)		38.00% (6)
	kd =	**4.94%**

Weighted Average Cost of Capital (WACC)

	Capital Structure (7)	Cost	Weighted Cost
Equity	55.00%	30.00%	16.50%
Debt	45.00%	4.94%	2.22%
		WACC =	18.72%
		Rounded =	**19.00%**

Notes:

(1) 20-Year Treasury Bond as of December 31, 2008; Federal Reserve Statistical Release.
(2) Morningstar, Inc. *SBBI Valuation Edition 2008 Yearbook*.
(3) Morningstar, Inc. *SBBI Valuation Edition 2008 Yearbook* (Long-Term Returns in Excess of CAPM Estimations for Decile Portfolios of the NYSE/AMEX/NASDAQ -10th Decile).
(4) Based on analysis of the Company and industry.
(5) The Company borrowing rate, assumed to be Moody's Baa corporate bond rate as of December 30, 2008; Federal Reserve Statistical Release.
(6) Estimated marginal tax rate.
(7) Based on median 5-year average capital structure for the industry. (SIC Code 6141) provided in the Morningstar *2008 Cost of Capital Yearbook*.
(8) Based on the SIC composite adjusted beta for the guideline public companies. (SIC Code 6141) Morningstar *2008 Cost of Capital Yearbook*.
(9) Market Premium, Duff & Phelps, *Risk Premium Report 2008*.
(10) Size specific equity risk premiums over CAPM are based on comparison of the Company to risk premium groups presented in the Duff & Phelps *Risk Premium Report 2008*. (Smoothed Average Premium over CAPM).
(11) Converted Ibbotson IRP to D&P (New IRP=SBBI IRP*(D&P ERP/SBBI ERP)).

EXHIBIT 6
SECOND CHANCE MOTORS CREDIT, LLC
DISCOUNTED CASH FLOW ANALYSIS

Assumptions:		
Discount Rate	19%	(1)
Perpetuity Growth Rate	3%	(2)
Capitalization Rate	16%	
Tax Rate	38%	
Debt Free Working Capital as % of Revenue	176%	(3)

	FY 2009 Projection		FY 2010 Projection		FY 2011 Projection		FY 2012 Projection		Terminal Year	
Revenue	$ 1,896,894		$ 2,845,341		$ 4,268,012		$ 6,402,017		$7,042,219	
Revenue Growth	*229%*		*50%*		*50%*		*50%*		*10%*	
Total Operating Expenses	751,244	40%	783,706	28%	817,792	19%	853,581	13%	938,939	13%
EBITDA	1,145,650	60%	2,061,635	72%	3,450,220	81%	5,548,436	87%	6,103,280	87%
Depreciation & Amortization	9,372	0%	10,309	0%	11,340	0%	12,474	0%	13,722	0%
Operating Income (EBIT)	1,136,278	60%	2,051,326	72%	3,438,880	81%	5,535,962	86%	6,089,558	86%
Income Tax Expense (Benefit)	431,786	23%	779,504	27%	1,306,774	31%	2,103,666	33%	2,314,032	33%
Net Income (Loss)	704,492	37%	1,271,822	45%	2,132,106	50%	3,432,296	54%	3,775,526	54%
Less: Capital Expenditures (4)	(9,372)	0%	(10,309)	0%	(11,340)	0%	(12,474)	0%	(13,722)	0%
Plus: Depreciation & Amortization	9,372	0%	10,309	0%	11,340	0%	12,474	0%	13,722	0%
Less: Incremental DFWC	(2,317,176)	-122%	(1,665,138)	-59%	(2,497,707)	-59%	(3,746,560)	-59%	(1,123,968)	-16%
Net Cash Flow	$ (1,612,684)	-85%	$ (393,316)	-14%	$ (365,601)	-9%	$ (314,263)	-5%	2,651,558	38%
									22,869,689	
Period	0.50		1.50		2.50		2.50		2.50	
Present Value Factor	0.9167		0.7703		0.6473		0.6473		0.6473	
Present Value of Cash Flows	$ (1,478,345)		$ (302,985)		$ (236,668)		$ (203,435)		14,804,470	

Indicated Fair Market Value of Total Compan	12,583,037
Less: Interest-Bearing Debt	-
Indicated Equity Value	12,583,037
Rounded:	$ 12,583,000

Source: Projected revenue based on Management estimates.

Notes:
(1) Discount Rate equals WACC for the Company.
(2) Based on long-term outlook using risk-free rate as proxy.
(3) See Exhibit 7.
(4) Capital expenditures assumed to equal depreciation.
(5) The "H" Model Two-Stage Formula:

$$\frac{CF(t) \times (1+sgr)}{(d-sgr)} + \frac{CF(t) \times H \times (igr-sgr)}{(d-sgr)}$$

when
CF=cash flow
(t)=period t
d=Discount Rate
H=Mid-point of High Growth (Transition Period/2)
igr=Initial Growth Rate
sgr=Stable Growth Rate

"H" Model Growth Assumptions: (5)	
CF(t)	$ 2,651,558
d	19.0%
H	5
igr	10.0%
sgr	3.0%
Value of Stable Growth:	$ 17,069,406
Value of Extraordinary Growtl	5,800,283
Terminal Value:	$ 22,869,689

EXHIBIT 7
SECOND CHANCE MOTORS CREDIT, LLC
DEBT-FREE WORKING CAPITAL COMPUTATION

Industry Debt-Free Working Capital Requirements (1)

	SIC Code 6141 NAICS 522220 Sales Financing All	SIC Code 6141 NAICS 522220 Sales Financing $0 - 1 MM
As a % of Total Assets		
Current Assets	68.9%	61.6%
Less: Current Liabilities	45.2%	34.4%
Working Capital	23.7%	27.2%
Working Capital	23.7%	27.2%
Plus: Notes Payable - Short-term	27.8%	22.5%
Plus: Current Mat. - L.T.D.	5.1%	3.3%
Debt-Free Working Capital (DFWC)	56.6%	53.0%
Debt-Free Working Capital	56.6%	53.0%
Times: Total Assets - $000	$ 7,877,668	$ 109,249
Debt-Free Working Capital - $000	$ 4,458,760	$ 57,902
Debt-Free Working Capital - $000	$ 4,458,760	$ 57,902
Divided by: Total Sales - $000	$ 4,310,857	$ 23,376
DFWC as a % of Sales	**103.4%**	**247.7%**

Concluded Debt-Free Working Capital Requirements	**175.6%**

Notes:
(1) Industry Debt-Free Working Capital Requirements taken from Risk Management Association's 2008 - 2009 *Annual Statement Studies.*

APPENDIX B – DISCOUNT STUDIES

DISCOUNT STUDIES

IPO Studies

Emory Studies
John D. Emory was with Robert W. Baird & Co. Incorporated, an affiliate of Northwestern Mutual Life Insurance Company before he founded Emory Business Valuation LLC. Since 1985, Emory has published eight IPO studies covering several periods starting with January 1980 and ending April 1997. These studies have been published in Business Valuation Review, a trade periodical of the Business Valuation Committee of the American Society of Appraisers.

Emory states, "it was my thought that if I could relate the prices at which private transactions took place before the initial public offering to the price at which the stock was offered subsequently to the public, I would be able to gauge, in a somewhat objective way, the value of marketability. A prospectus is obliged to identify securities transactions between principals and insiders since the registrants last fiscal year prior to the offering."

He reviewed over 2,200 prospectuses and analyzed 310 transactions. He eliminated development stage companies, companies with operating losses, and companies with IPO prices less than $5 per share. All of the transactions took place within a five month period prior to the IPO. In that regard Emory states, "since an initial public offering often takes four or five months from conception to completion, the transactions mentioned in the prospectuses in the study would almost certainly have reflected the likelihood of marketability within the next half year and any other value adjustment associated with being a public company."

He goes on to state, "in all of these situations the companies were promising in nature, and their securities had good potential for becoming readily marketable. Why else would investors have bought the unregistered stock and why would a bona fide investment banker pursue a firm underwriting commitment? It should be noted that almost all of the major investment banks are represented as lead underwriters of the IPOs used in this study, as has been the case in the previous studies." In general, most of the transactions were with promising companies where marketability was probable.

The transactions in the study consisted primarily of the granting of stock options at the stock's then fair market value. The remaining transactions involved sales of stock. Of the 310 transactions studied, 239 or 77% were stock options.

In terms of defending the stock option prices used by the companies in the studies, Emory states, "in most cases, the transactions were stated to have been, or could reasonably be expected to have been, at fair market value. All ultimately would have had to be able to withstand Securities and Exchange Commission ("SEC"), IRS or judicial review, particularly in light of the subsequent public offering."

The Emory IPO studies estimated discounts for lack of marketability for all companies and for all transactions up to five months prior to the IPO. For the eight studies, the mean and median average discounts for lack of marketability were 44% and 43%, respectively. For the most recent period studied, November 1995 to April 1997, the mean discount was 43% and median discount were 42%.

Summary of the Eight Emory Studies

PERIOD OF STUDY	NUMBER OF TRANSACTIONS	MEAN DISCOUNT	MEDIAN DISCOUNT
November 1995 – April 1997	91	43%	42%
January 1994 - June 1995	46	45%	45%
February 1992 - July 1993	54	45%	44%
August 1990 - January 1992	35	42%	40%
February 1989 - July 1990	23	45%	40%
August 1987 - January 1989	27	45%	45%
January 1985 - June 1986	21	43%	43%
January 1980 - June 1981	13	60%	66%
Combined Results	310	44%	43%

Period of Study: January 1, 1980 - June 20, 1981
Emory reviewed private placements of securities taking place prior to and following initial public offerings. The difference between the price of a security sold prior to the IPO and the offering price is the discount for lack of marketability. Emory examined 97 prospectuses of securities offered in the period from January 1, 1980 through June 30, 1981. Of the 97 IPOs, he chose 13 that involved "financially sound" companies and transactions that took place no more than five months prior to the IPO. Emory found that the private placements sold at a mean discount of 60% and a median of 66%.

Period of Study: January 1985 - June 1986
Emory analyzed twenty-one initial public offerings and the transactions taking place immediately before and after the offering. His analysis showed that the mean discount of the securities before the offerings is 43% with a median of 43%. Emory attributed the difference between the mean of this study (43%) with the mean of a similar study he performed in 1980 (60%) to the fact that the market for initial public offerings in 1986 was more active.

Period of Study: August 1987 - January 1989
Emory reviewed the prospectuses of 98 initial public offerings of which 27 met the study criteria of financial soundness, an IPO price greater than $5 and transactions taking place five months before the offering. He found that the mean discount of the securities sold before the initial public offerings is 45% with a median of 45%.

Period of Study: February 1989 - July 1990
Emory's analysis of transactions of 23 companies showed that the mean discount for lack of marketability is 45% with a median of 40%.

Period of Study: August 1990 through January 1992
Out of the 35 transactions, he found that the mean discount on the price of the securities was 42% with a median of 40%.

Period of Study: February 1992 through July 1993
Emory reviewed the transaction data of 54 companies selling securities in initial public offerings. Emory found that the average discount on the price of the securities was 45% with a median of 44%. He consolidated the results of the six studies that he has performed. He found that the mean of the mean discounts of the total 173 transactions to be 47%.

Period of Study: January 1994 - June 1995
Emory evaluated 46 IPO transactions. Both the mean and median discounts on the purchase price of the securities before the IPO were 45%. "The range of discount was from 79% to 6%." Emory combined the results of all seven studies and found that "the mean discount for the 219 transactions in the seven studies was 45% and the median was 43%."

Period of Study: November 1995 - April 1997
Emory evaluated 91 transactions. The mean discount for these transactions was 43% while the median discount was 42%. The range of discount was 5% to 85%. The combined results of all eight studies and the 310 transactions show a mean discount of 44% and a median discount of 43%.

Willamette Study

Willamette Management Associates has published 12 studies that analyze IPO transactions that took place in the time period from 1975 to 1992. The premise of the studies was similar to that of the Emory studies in that Willamette compared the sale price of stock placed privately before an initial public offering to the price at IPO to determine the discount for lack of marketability.

However, the Willamette studies reviewed transactions which "took place from 1 to 36 months before the initial public offering" whereas Emory analyzed transactions up to five months prior to IPO. Emory used information provided in the company prospectuses while Willamette used S-1 and Form S-18 registration statements. "Although the prospectus constitutes a portion of the registration statement, it is required to disclose only transactions with affiliated parties. Form S-1 and Form S-18 registration statements require disclosure of all private transactions in the stock within the three years before the public offering.[2]" In addition to comparing the sales prices, Willamette also compared the price-earnings (P/E) multiple of the security at the time of the private transaction to the P/E multiple at IPO.

"Because the private transactions occurred over a period of up to three years before the public offering, Willamette made adjustments to reflect differences in market conditions for stocks of the respective industries between the time of each private transaction and the time of each subsequent public offering.[3]" To do this, Willamette multiplied the price of the stock at the private placement by the Industry Price Index at the time of offering and divided it by the Industry Price Index at the time of private transaction. The following tables present the results of the Willamette studies.

[2] Pratt, Shannon. Valuing a Business, Third Edition 1996 p. 345.
[3] Ibid.

Summary of Discounts for Private Transaction Prices Compared to Public Offering Prices Adjusted for Changes in Industry Stock Price Indexes

Period of Study	Median Discount
1975 – 1978	64.3%
1979	68.2%
1980 – 1982	68.2%
1984	80.5%
1985	61.3%
1986	NA
1987	NA
1988	NA
1989	NA
1990	50.4%
1991	39.1%
1992	64.9%

Summary of Discounts for Private Transaction P/E Multiples Compared to Public Offering P/E Multiples Adjusted for Changes in Industry P/E Multiples

Period of Study	Median Discount
1975 – 1978	54.7%
1979	62.9%
1980 – 1982	55.5%
1984	74.4%
1985	43.2%
1986	47.5%
1987	43.8%
1988	51.8%
1989	50.4%
1990	48.5%
1991	31.8%
1992	52.4%

Restricted Stock Studies

Investment companies have purchased private placements of restricted securities for years. Restricted securities are shares issued and sold by a publicly traded company without prior registration with the Securities and Exchange Commission. At the time of these studies, SEC Rule 144 guidelines imposed a minimum holding period of two years before these restricted securities could be resold.

Because of the restriction on the marketability of the securities, the investment companies purchase the securities at prices lower than the price of a registered security of the same company. The difference between the two prices represents the discount for the lack of marketability.

In the seventies, the SEC required that the investment companies make their transaction records public. The availability of the records made it possible for appraisers to determine the lack of marketability discount and use it as a comparison for the discount on closely held interests.

Revenue Ruling 77-287

In Revenue Ruling 77-287, the IRS addressed the issue of valuing restricted stocks. It was issued "...to provide information and guidance to taxpayers, Internal Revenue Service personnel, and others concerned with the valuation, for Federal tax purposes, of securities that cannot be immediately resold because they are restricted from resale pursuant to Federal securities laws."

The ruling also discusses a study undertaken by the SEC, published in 1971, and covering the period from January 1, 1966 through June 30, 1969. "Discounts Involved in Purchases of Common Stock (1966-1969)," *Institutional Investor Study Report of the Securities and Exchange Commission*. The SEC analyzed the purchases, sales, and holdings of restricted securities held by financial institutions that disclosed the valuation of their holdings. The average discount was about 26% for all companies.

The SEC in Accounting Release No. 113 acknowledges discounts for restricted securities. "Restricted securities are often purchased at a discount, frequently substantial, from the market price of outstanding unrestricted securities of the same class. This reflects the fact that securities which cannot be readily sold in the public market place are less valuable than securities which can be sold, and also the fact that by the direct sale of restricted securities, sellers avoid the expense, time and public disclosure which registration entails."

Since the 1971 SEC study, there have been several additional studies performed that essentially measured the DLOM using the same type of comparisons between restricted securities and their publicly traded counterparts. The results of these studies have generally averaged between 30% and 35%. We have summarized the more important studies and their results in the following table:

Summary of Studies of Restricted Securities Transactions

Study	Period of Stud	Discount for Lack Marketability
Arneson	Opinion[4]	65%or greater
Securities Exchange Commissio	1966 - 1969	26%
Gelman	1968 - 1970	33%
Trout	1968 - 1972	33.45%
Maher	1969 - 1970	35%
Moroney	1969 - 1973[5]	35.6%
Stryker and Pittock	1978 - 1982	45%
Willamette	1981 - 1984	31.2%
Silber	1981 - 1988	33.75%
Hall and Polacek	1979 - 1992	23%

Securities and Exchange Institutional Investor Studies
In a review of purchases of restricted securities by investment companies in the period from January 1, 1966 through June 30, 1969, the Securities and Exchange Commission analyzed the discounts for lack of marketability of the restricted stocks. The SEC review was presented in a study published in March 1971.

Of over the counter non-reporting-companies, 56% had discounts over 30% and 34% of the companies had discounts over 40%. For companies with sales between $1,000,000 and $5,000,000, 54% had discounts over 30% and 34% of the companies had discounts over 40%. The mean and median discounts for the study were approximately 26% for all size companies on all trading markets.

Gelman
In the June 1972 issue of the *Journal of Taxation*, Milton Gelman evaluated the purchases of restricted securities by four investment companies during the period 1968 through 1970. Using publicly available financial statements of investment companies, the author compared the price which the investment companies paid for the restricted securities of a corporation to the market price of publicly traded securities of the same corporation. In 1970, the four investment companies "had letter stock investments in the common stocks of 89 public companies." Gelman analyzed these transactions and determined that the mean and median discount of all 89 stock purchases was 33%. Of the 89 stocks, 36% had discounts 40% or greater, and 59% had discounts 30% or greater.

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4 The author used the 35% mean discount of the Maher study as a base discount. He then supports a higher discount based upon his analysis of the SEC letter stock study and other analysis.

5 Moroney did not state the exact time period of his study of restricted stocks, but it is within this time frame. The discount rate on the Moroney study is quoted from *Valuing a Business*, Third Edition, Shannon Pratt.

Trout

In order to determine the appropriate lack of marketability discount on restricted securities, Robert R. Trout, in the June 1977 issue of *Taxes - the Tax Magazine,* analyzed 60 historical transactions of investment letter stock purchases by mutual funds in the period from 1968 to 1972. Using multiple regression analysis, he determined the relationship among the factors which influence the size of the discount. These factors were the exchange listing, the number of shares outstanding, the percentage control, which he indicates as the number of shares purchased divided by the shares outstanding, the size of the purchase, and the value of the purchase. Trout entered actual transaction data for each of the variables and solved for the coefficients of the variables. These coefficients described the relationship that the variables had to the size of the lack of marketability discount.

Trout determined that the mean average discount for lack of marketability is 33.45%.

Maher

J. Michael Maher, in the September 1976 issue of *Taxes - the Tax Magazine,* researched the purchases of restricted securities by investment companies for the period from 1969 to 1973. Maher determined that the mean discount on transactions occurring in this time frame was approximately 35%.

He noted that the applied discounts were considerably higher than the costs which investment companies agreed to incur to register the stock. The reason that the discounts were higher, he argued, is that investors give up the opportunity to invest in other more marketable instruments and the investor is "at the risk of the business until the shares could be offered to the public or another buyer."

Furthermore, since the 35% discount was determined by comparing the stocks of unregistered minority securities to their minority market counterparts, the discount is on a minority basis. An additional discount would be required for minority interests in a closely held company.

Moroney

In the March 1973 issue of *Taxes - the Tax Magazine*, Robert E. Moroney reviewed the prices at which investment companies' purchase unregistered stocks. His study revealed that the actual discount for these securities was as great as 90%.

When investment companies purchase an issue of restricted securities, they often enter into agreements which include provisions under which the issuer is required to register the stock within a certain period. Even with such an agreement, the board of directors have applied up to a 56% discount on these securities. The board of directors reasons that "the process of registering the securities may add months to the holding period." Furthermore, the investment company may carry some of the issuing costs under the agreement, or the issuer may decline to register the stocks.

Moroney concluded that if a 60% discount is fair for a letter stock which has registration rights and the likelihood of marketability within two or three years, then a much higher discount should apply to a minority interest in a closely-held entity that has none of these rights.

Stryker and Pittock

Charles H. Stryker and William Pittock, while with Standard Research Consultants, analyzed 28 restricted stock purchases which occurred in the period from October 1978 through June 1982. Comparing the value of restricted stocks to public stocks issued by the same company, they found the median discount at which the restricted stocks sold to be 45%.

Willamette
In a study of 33 transactions involving purchases of restricted securities from 1981 to 1984, Willamette Management Associates compared the prices at which the restricted securities were issued to comparable publicly traded stocks from the issuing company. They found that the restricted securities sold at a median average discount of 31.2%.

Silber
William L. Silber, in the July-August 1991 issue of the *Financial Analysts Journal*, developed a model which describes the relationship of the discount on restricted securities and the factors which cause the discount. Using data provided by the Securities Data Corporation, the author analyzed reported transactions of restricted stock sales in the period of 1981 through 1988. Of the 310 restricted security issues, Silber chose 69 transactions which carried no "warrants or special provisions."

Analysis of these transactions showed a mean discount of 33.75%. The discounts ranged from 84% to a premium in one case of 12.7%. Further segregation of the data into discounts less than and greater than 35% indicated that "firms with higher revenues, earnings and market capitalizations are associated with lower discounts."

Hall and Polacek
Lance S. Hall and Timothy C. Polacek, in the January/February 1994 issue of *Estate Planning*, defined the purpose for discounts for minority interest and lack of marketability. They also evaluated historical trends in court-allowed discounts and reviewed several methods for determining the appropriate discount for each situation.

Hall and Polacek observed that the minority interest and lack of marketability discounts are separate and distinguishable from each other. They "are based upon independent financial principles and analyses."

The lack of marketability discount arises from the fact that interests in closely held businesses do not have an active market that provides liquidity. Prospective investors will pay less for the interest than they would for the same interest in a similar public corporation.

The authors' firm, FMV Opinions, Inc., performed an update to the 1971 Institutional Investor Study published by the SEC. They examined over 100 restricted stock transactions from 1979 through April 1992. They found a mean average discount of 23%. For the period of May 1991 through April 1992, the average discount was 21%. The reduction in the discount may be due to the increased marketability of restricted stocks under Rule 144 (a). The study also showed that there were higher discounts (30% to 40%) for smaller capitalization companies, defined as less than $50 million.

Arneson
George S. Arneson, in the January 1981 issue of *Taxes - the Tax Magazine*, evaluated studies of purchases of letter stock by investment companies. Arneson referred to studies by Maher and Moroney which indicate that the appropriate discount for non-marketability of an interest in a closely held company should be around 35%. Arneson agreed with this rate for restricted securities, but pointed out that restricted securities of publicly traded companies are different from interests in closely held businesses. He believed that enough dissimilarity between the two securities exists to indicate that the discount rates on closely held securities should be above this level.

Arneson represented that there should be a significant discount over 35% for closely-held entities. He discussed such factors as other costs of flotation, the lack of a pre-established market, risk, the inability to market because of company size and history, the non-cash costs of underwriting and the timing and

the length of time necessary to go public. His conclusion was that the discount for lack of marketability should be closer to 50%.

Management Planning Study[6]

An independent business appraisal firm, Management Planning, Inc. ("MPI") has compiled an analysis of the discounts on restricted stocks as compared to their publicly traded counterparts that includes data from 1980 through 1996. MPI reviewed all reported private placements in that period choosing transactions that met the following criteria:

- the company selling stock in a private placement makes its financial statements available to the public;
- the restricted stock in the transaction had to have a publicly traded and actively held common stock counterpart in the same company with the same rights as the restricted stock;
- data on the transaction had to be available;
- the publicly traded common stock counterpart had to sell at a price of at least $2 per share;
- the company selling the stock must be domestic; and
- the company selling the stock must not be described in disclosure documents as in a developmental stage.

According to MPI, the criteria mitigate abnormalities in discount data that may be caused by market inefficiencies for certain inactive stocks or speculative stocks. Over two hundred private placements of restricted stock met the criteria. MPI further eliminated any company "that suffered a loss in the fiscal year preceding the private transaction," any company with revenues less than $3 million (a "start up" company), and any transactions of stocks with known registration rights. Only fifty-three of the original group of companies met the criteria. The following chart summarizes the results of the MPI study:

Management Planning Inc.
Restricted Stock Study
Summary of Transaction Data

	Revenues ($MM)	Earnings ($MM	Market Cap. ($MM	Indicated Discount %
Mean	45.6	2.2	78.7	27.1
Median	28.3	0.8	44.1	24.8
Minimum	3.2	0.1	3.4	0.0
Maximum	293.0	24.0	686.5	57.6

In order to test the correlation between certain factors and the restricted stock discount, MPI analyzed each factor by dividing the company set into quartiles, which were determined by the values of each

[6] Reilly, Robert F. and Robert P. Schweihs, *The Handbook of Advanced Business Valuation*, McGraw-Hill, 2000, pp. 98-116.

factor. The results of MPI's analysis indicated that some factors had a clear relationship with the restricted stock discount while others had some relationship, and still others had no relationship.

Factors with the Most Explanatory Power
The following factors, reviewed by quartile, appeared to affect the restricted stock discount: revenues, recent earnings, market price/share, price stability, time to sell according to SEC Rule 144 restrictions (Dribble Out Period), number of quarters trading volume to sell, and value of the block.

The analysis indicated that revenues and recent earnings both had an inverse relationship with the restricted stock discount. Restricted stocks in companies with higher revenues or earnings generally were subject to lower discounts than companies with lower revenues or earnings. Companies whose stock sold at higher prices per share had lower restricted stock discounts. MPI stated that "lower share prices are sometimes associated with more speculative or risky companies."[7] MPI measured price stability "by taking the standard deviation of the stock prices divided by the mean of the stock prices and is based on month-end stock prices for the twelve months prior to the transaction date."[8] The restricted stock discounts are higher for companies with a history of less price stability. The discount tended to be higher the longer the number of weeks required to sell the stock based on weekly trading volume and the longer the period required to sell the stock based on Rule 144 restrictions. Larger (as measured by value) blocks of stock tended to have higher discounts.

The following chart illustrates the results of MPI's analysis of the above factors. In ranking revenues, earnings, number of quarters trading volume to sell, price per share and value of the block, the first quartile represents the higher end and the fourth quartile represents the lower end of the range. For price stability, the first quartile represents the lower end and the fourth quartile represents the higher end of the range. For the SEC Rule 144 period, the first quartile represents the longest amount of time and the fourth quartile represents the shortest.

Management Planning, Inc.
Restricted Stock Study
Factors with the Most Explanatory Power[9]

Factor		1st Quartile %	2nd Quartile %	3rd Quartile %	4th Quartile %
Revenues	**Median**	17.9	24.8	31.4	32.7
Earnings	**Median**	16.7	23.1	31.6	40.2
Market Price/Share	**Median**	30.4	24.5	19.6	23.3
Price Stability	**Median**	31.4	32.5	19.5	18.1
Number of Quarters Trading Volume	**Median**	32.5	24.5	29.3	19.2
Rule 144 Dribble Out	**Median**	28.9	29.3	24.1	21.4
Value of Block	**Median**	19.4	22.5	30.4	31.0

Factors with Some Explanatory Power
The following seven factors showed some explanatory power with the restricted stock discounts: ten year revenue and ten year earnings growth, revenue stability, block size/trading volume (%), block size (number of shares), earnings stability and annual trading volume.

7 Ibid p. 110.
8 Mercer, Z. Christopher, *Qualifying Marketability Discounts*, Peabody Publishing, L.P. 1997 p. 356.
9 Reilly, et. al., p. 110.

Revenue and earnings growth rates were measured based on the fiscal year net income data for up to ten years prior to the transaction date. Annual trading volume was measured by the number of shares traded in the calendar year prior to each transaction.[10]

The analysis indicated that these factors generally followed a predictable pattern. Companies with high growth rates in revenues or earnings generally have lower discounts. Similarly, companies with more stable earnings and revenues have lower restricted stock discounts. The discounts tended to be higher the higher the block size as a percent of annual trading volume. The discounts tended to increase as trading volume decreases. In regard to block size, the smallest blocks had the smallest discounts.[11]

The following chart illustrates the result of MPI's analysis of the above factors. In ranking revenue and earnings growth, revenue stability, block size/trading volume (%), block size, earnings stability, and annual trading volume the first quartile represents the higher end and the fourth quartile represents the lower end of the range.

Management Planning, Inc.
Restricted Stock Study
Factors with Some Explanatory Power[12]

Factor		1st Quartile %	2nd Quartile %	3rd Quartile %	4th Quartile %
Revenue Growth	Median	28.9	19.6	24.1	29.4
Earnings Growth	Median	22.5	16.0	36.6	30.4
Revenue Stability	Median	28.9	18.8	32.5	36.2
Block Size/Tradi Volume	Median	32.5	24.5	29.3	19.2
Block Size (Shares)	Median	24.5	29.3	30.4	21.1
Earnings Stability	Median	15.5	30.4	28.9	34.6
Annual Trading Volun	Median	27.5	17.9	24.8	34.3

Conclusion

A discount for lack of marketability is a shareholder-level discount commonly applied to the ownership capital of closely held entities to reflect the lack of a recognized market for the ownership interests and that such interests are not readily transferable. Investors typically prefer investments that have access to a liquid secondary market and can be readily converted into cash. All other factors being equal, ownership interests without such marketability characteristics will sell at a discount when compared to interests that include such marketability features.

Although we looked to the discounts studies summarized above for empirical evidence of marketability discounts, we also considered specific factors that affect the subject interest's marketability such as:

- No transfer restrictions exist on the 65% interest valued
- Preferential treatment of dividends
- High-growth company

[10] Ibid p. 112.
[11] Ibid p. 111.
[12] Ibid p. 111.

Based on the marketability factors discussed above and the discounts observed for minority interests in the studies, we estimate that a 10% discount for lack of marketability is appropriate for the subject interest.

APPENDIX C – VALUATION REPRESENTATION

Valuation Representation

We hereby certify the following statements regarding this appraisal:

To the best of our knowledge and belief, the statements of facts contained in this summary report, upon which the analyses, conclusions and opinions expressed herein are based, are true and correct.

The reported analyses, opinions, and conclusions of value are limited only by the reported assumptions and limiting conditions, and they represent our unbiased professional analyses, opinions, and conclusions.

We have no present or prospective/contemplated financial or other interest in the business or property that is the subject of this summary report, and we have no personal financial or other interest or bias with respect to the property or the parties involved.

Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

We have not provided any services regarding the subject property in the prior three years, as an appraiser or in any other capacity.

Our compensation for completing this assignment is fee-based and is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the outcome of the valuation, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

Our analyses, opinions and conclusions were developed, and this summary report has been prepared, in conformity with the 2008 American Institute of Certified Public Accountants Statement on Standards for Valuation Services No. 1, and of the other professional organizations of which we are members.

The parties for which the information and use of the valuation summary report is restricted are identified; the valuation summary report is not intended to be and should not be used by anyone other than such parties.

The valuation analyst has no obligation to update the summary report or the opinion of value for information that comes to our attention after the date of the report.

This summary report was prepared under the direction of Mark L. Zyla, CPA/ABV, CFA, ASA, with significant professional assistance from Gina Miller. Mr. Zyla is a Certified Public Accountant licensed in the State of Georgia and is accredited in business valuation by the American Institute of Certified Public Accountants. Ms. Miller is also a Certified Public Accountant licensed in the State of Georgia and is accredited in business valuation by the American Institute of Certified Public Accountants.

Mark L. Zyla, CPA/ABV, CFA, ASA
Acuitas, Inc.

APPENDIX D – ASSUMPTIONS & LIMITING CONDITIONS

Statement of Assumptions and Limiting Conditions

The primary assumptions and limiting conditions pertaining to the value estimate conclusion(s) stated in this summary report ("report") are summarized below. Other assumptions are cited elsewhere in this report.

Our appraisal services constitute neither an audit nor a verification of the Company's underlying financial records. We do not render legal, tax or accounting advice. Our services relate solely to the valuation of the business interest described herein.

We have relied, without independent verification, on the accuracy, completeness, and fairness of all financial and other information that was publicly available or furnished to us by the management of the subject company and its accountants and legal counsel.

The economic and industry data was obtained from sources believed to be reliable; we have not performed any corroborating procedures to substantiate the data.

The conclusions are based on the assumption that present management will continue to maintain the character and integrity of the enterprise through any sale, reorganization or diminution of the owner's participation.

If, after the summary appraisal report is issued, Acuitas becomes aware of any information concerning the subject business which would, in Acuitas' judgment, materially change the appraised value as of the date of value, then Acuitas has the option to notify the client (and any other known recipients of the report) that the report is withdrawn and should not be relied upon. In this event, Acuitas may issue a revised report, and you shall be responsible for Acuitas' professional fees for the revision of the report.

Events subsequent to the Valuation Date may alter our estimate of value. We will not be responsible for updating our summary report as a result of such events occurring subsequent to the Valuation Date.

Regarding any real properties owned or leased by the subject business, we have not undertaken to discover any toxic substances or other environmental hazards which may exist at any of the properties. Such investigation is beyond the scope of the appraisal and outside the scope of our expertise.

Our summary report will consider all the information referenced in it, whether specifically mentioned in the report or not. The various estimates and conclusions presented apply to this summary report only, and may not be used out of the context presented.

The obligations of Acuitas are solely corporate obligations, and no officer, director, employee, agent, shareholder or controlling person shall be subject to any personal liability whatsoever to any person, nor will any such claim be asserted by or on behalf of any other party to this agreement or any person relying on the summary report.

No officer or employee of Acuitas is required to give testimony in court, or be in attendance during any hearings or depositions with reference to the summary report. In any event, professional fees for such services are independent of this engagement.

Due to the economic and individual motivational influences which may affect the sale of a business interest, the appraiser assumes no responsibility for the actual price of any subject business interest if sold or transferred.

The summary report and the identity of Acuitas are not to be disclosed, in whole or in part, outside the client's organization without our prior written approval, except for review by auditors and legal counsel, and by representatives of taxing authorities. No third parties are intended to be benefited.

Acuitas retains all exclusive rights to copyrights to the summary report and to control the issuance of copies by others, and the client has no right of diffusion, reproduction, distribution or sale. The client may reproduce ten copies of the report solely for its internal use. Otherwise, the client may not reproduce the report without Acuitas' prior written consent.

Our summary report will not be used for financing, or included in a private placement or other public documents.

Our summary report will not include any investment advice, and our analysis and conclusions should not be construed as such.

The summary report is to be used solely for the purpose described in the report. An appraisal for a different purpose, or under a different standard or basis of value, or for a different date of value, could result in a materially different opinion of value.

We express no opinion for matters that require legal or other specialized expertise, investigation, or knowledge beyond that customarily employed by business appraisers.

We express no opinion as to: 1) the tax consequences of any transaction which may result, 2) the effect of the tax consequences of any net value received or to be received as a result of a transaction, and 3) the possible impact on the market value resulting from any need to effect a transaction to pay taxes.

No investigation of title to the business or its assets has been made. Ownership claims to the business and its assets are assumed to be valid. No consideration has been given to liens or encumbrances which may exist against the business or its assets except as stated in the summary report. We assume no hidden or unapparent conditions regarding the subject assets, properties, or business interests.

APPENDIX E – QUALIFICATIONS OF VALUATION ANALYSTS

MARK L. ZYLA, CPA/ABV, CFA, ASA

Mark L. Zyla is a Managing Director of Acuitas, Inc. an Atlanta Georgia based valuation and litigation consultancy firm.

Mark has provided valuation consulting for various types of entities for the purposes of mergers and acquisitions, financial reporting, tax planning, corporate recapitalizations, as well valuing various types of intellectual property and other intangible assets for many purposes.

PREVIOUS EXPERIENCE

Prior to rejoining Acuitas, he was a Principal with a national business valuation and financial advisory firm. Additionally, he was formerly a practice leader for PricewaterhouseCoopers's Corporate Finance Consulting Group for the Southeastern U.S.

EDUCATION

Mark received a BBA degree in Finance from the University of Texas at Austin and an MBA degree with a concentration in Finance from Georgia State University.

PROFESSIONAL AFFILIATIONS AND ACHIEVEMENTS

Mark also completed the Mergers and Acquisitions Program at the Aresty Institute of The Wharton School of the University of Pennsylvania and the Valuation Program at the Graduate School of Business at Harvard University.

He is a Certified Public Accountant, Accredited in Business Valuation ("CPA/ABV") and Certified in Financial Forensics ("CFF"), a Chartered Financial Analyst ("CFA"), and an Accredited Senior Appraiser with the American Society of Appraisers certified in Business Valuation ("ASA").

Mark is a member of the American Society of Appraisers ("ASA"), the American Institute of Certified Public Accountants ("AICPA"), CFA Institute, and the CFA Society of Atlanta. Mark is a former member of the Business Valuations Committee of the AICPA, and a member of the ABV Examination Committee of the AICPA. He is also a former member of the Business Valuation Standards Subcommittee of the ASA. He serves as the Vice Chairman of The Appraisal Foundation's Business Valuation Best Practices Working Group and to the AICPA's Fair Value Resource Panel. He is also a member of the Atlanta Venture Forum, a professional organization of the venture capital community. He is one of the authors of the International Glossary of Business Valuation Terms which has been adopted by the major valuation organizations. He co-authored the ASA course on Valuations for 409A and 123R Purposes.

PROFESSIONAL—BOOKS

Mark is a co- author of two books on business valuation, *Valuation for Financial Reporting: Intangible Assets, Goodwill and Impairment Analysis, SFAS 141 and 142* (2002) and *Financial Valuation: Application and Models*, (2004) both published by John Wiley & Sons, Inc. Mark is also the co-author of the courses, "*Fair Value Accounting: A Critical New Skill for All CPAs*" and *"Valuing Goodwill and other Intangible Assets"* published by the AICPA. Mark is also co-author of *Fair Value Measurements*: *Valuation Principles and Auditing Techniques* published 2007 by Tax Management, Inc., a division of the Bureau of National Affairs.

PROFESSIONAL—PRESENTATIONS

Mark is a frequent presenter and author on valuation issues. He has presented to such corporations as Northup Grumman and Coca-Cola. He has taught valuation courses at the FBI Academy in Quantico Virginia, and has been on the faculty of the National Judicial College and the Federal Judicial Center teaching business valuation to judges in the Federal and State Courts.

GINA MILLER, CPA/ABV, ASA

Gina Miller is Manager of Valuation Services with Acuitas, Inc., an Atlanta Georgia based valuation and litigation consultancy firm. Ms. Miller has twelve years of experience consulting on the valuation of closely-held companies. She has performed valuations for a variety of purposes including estate and gift tax planning, acquisitions, financial reporting, buy-sell agreements, and employee stock ownership plans.

Prior to business valuation, Ms. Miller worked for the May Department Stores Company, a Fortune 500 company, as a Financial Analyst in the Treasury and Capital Planning departments and then as a Manager of Executive Compensation. She also has experience in auditing financial institutions.

Ms. Miller graduated from Truman State University with a Bachelor of Science degree in accounting. She obtained a Master of Business Administration degree from Southern Illinois University, with an emphasis in management and small businesses. She holds a CPA designation and has been awarded the Accredited in Business Valuation credential by the American Institute of Certified Public Accountants. She is also Certified in Financial Forensics. She is an Accredited Senior Appraiser with the American Society of Appraisers.

Ms. Miller is a member of the following organizations:

American Society of Appraisers
American Institute of Certified Public Accountants
Georgia Society of Certified Public Accountants
National Society of Tax Professionals